

The Individual Shared Responsibility Provision brings changes to 2014 Income Tax Returns

IRS Health Care Tax Tip 2015-04, January 23, 2015

When [filing your 2014 federal income tax return](#), you will notice some changes related to the individual shared responsibility provision of the Affordable Care Act.

The individual shared responsibility provision in the Affordable Care Act calls for you to have [qualifying health care coverage](#) for each month of the year, [qualify for a health coverage exemption](#), or make an [Individual Shared Responsibility Payment](#) when filing your federal income tax return. Individuals are responsible for themselves and anyone they can claim as a dependent. Taxpayers who have coverage for the entire year will simply check a box on their tax return and won't need to do anything else when they file.

However, if you don't have qualifying health care coverage and you meet certain criteria, you might be eligible for an [exemption](#) from coverage. Most exemptions are available on your tax return, but some must be claimed through the Marketplace. If you or any of your dependents are exempt from the requirement to have health coverage, you will complete the new IRS [Form 8965, Health Coverage Exemptions](#) and submit it with your tax return.

If you could have afforded coverage for yourself or any of your dependents but chose not to get it and you do not qualify for an exemption, you must make a payment called the individual shared responsibility payment. You calculate the shared responsibility payment using a worksheet included in the instructions for Form 8965 and enter your payment amount on your tax return.

Whether you are simply checking the box on your tax return to indicate that you had coverage in 2014, claiming a health coverage exemption, or making an individual shared responsibility payment, you or your tax professional can prepare and file your tax return electronically. Using tax preparation software is the best and simplest way to file a complete and accurate tax return as it guides individuals and tax preparers through the process and does all the math. Electronic [filing options](#) include [IRS Free File](#) for taxpayers who qualify, free [volunteer assistance](#), [commercial software](#), and [professional assistance](#).

For more information about the Affordable Care Act and filing your 2014 income tax return, visit IRS.gov/aca.